

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**OCTOBER 1, 1999**

<b>IN RE:</b>	)	
	)	
<b>PETITION OF SKYLINE TELEPHONE</b>	)	<b>DOCKET NO. 99-00283</b>
<b>MEMBERSHIP CORPORATION FOR APPROVAL OF</b>	)	
<b>AN INTRALATA TOLL DIALING PARITY PLAN</b>	)	

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**ORDER APPROVING THE INTRALATA TOLL DIALING PARITY  
IMPLEMENTATION PLAN**

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This matter came before the Tennessee Regulatory Authority (the "Authority") on June 22, 1999, at a regularly scheduled Authority Conference, to consider the Petition of Skyline Telephone Membership Corporation ("Skyline") for approval of its IntraLATA Toll Dialing Parity Implementation Plan ("the Plan").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.<sup>1</sup> Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections 251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

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<sup>1</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 47 U.S.C. §§151 *et seq.*

**FILE**

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.<sup>2</sup> On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.<sup>3</sup>

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

Skyline is a telecommunications company operating under Tenn. Code Ann. Title 65, Chapter 29 as a cooperative local exchange carrier that provides telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Skyline is required to file a plan with the Authority that provides for implementing intraLATA toll dialing parity throughout Skyline

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<sup>2</sup> FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

<sup>3</sup> AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

exchanges in Tennessee.<sup>4</sup> This plan must allow customers to pre-subscribe to different carriers for local service, intraLATA toll service and interLATA toll service.<sup>5</sup>

Skyline filed its IntraLATA Toll Dialing Parity Implementation Plan on April 22, 1999. The Plan was amended on May 28, 1999. The amended Plan containing Skyline's Petition for Approval, is attached hereto as Exhibit I and is fully incorporated herein by this reference.

The Directors considered Skyline's Plan at the June 22, 1999 Authority Conference and determined that the Plan, as amended, satisfies the requirements set forth by the FCC in Docket 96-98, FCC Order 96-333 and FCC Order 99-54.<sup>6</sup> The Plan provides for a method that enables customers to select alternate providers of telephone toll service; a method which allows customers to choose different carriers for interLATA and intraLATA service; customer notification/education procedures; and a PIC change charge waiver period. The Directors unanimously voted to approve Skyline's Toll Dialing Parity Plan as amended, with the requirement that Skyline comply with all applicable sections of FCC Order 96-333 upon implementation of intraLATA equal access.

**IT IS THEREFORE ORDERED THAT:**

1. The amended Plan of Skyline Telephone Membership Corporation for IntraLATA Toll Dialing Parity Implementation, a copy of which is attached as Exhibit I, is hereby approved and is incorporated in this Order as if fully rewritten herein;

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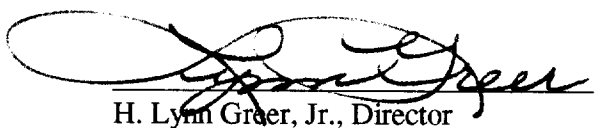

<sup>4</sup> Under 47 C.F.R. §51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

<sup>5</sup> Pre-subscription allows the customer to place a call without dialing an access code.

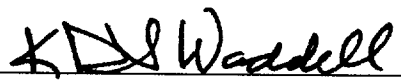
<sup>6</sup> FCC Order 96-333, released August 8, 1996, sets forth the requirements for implementation of IntraLATA Toll Dialing Parity. FCC Order 99-54, released March 23, 1999, extends to June 22, 1999 the deadline for state commissions to act on a LEC's IntraLATA Toll Dialing Parity Plan.

2. Skyline Telephone Membership Corporation shall comply with all applicable sections of FCC Order 96-333 upon implementing IntraLATA equal access; and;

3. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.

  
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Melvin J. Malone, Chairman  
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H. Lynn Graer, Jr., Director  
\_\_\_\_\_  
Sara Kyle, Director

ATTEST:

  
\_\_\_\_\_  
K. David Waddell, Executive Secretary

REC'D TN  
REGULATORY AUTH.

APRIL 22, 1999

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## SKYLINE TELEPHONE MEMBERSHIP CORPORATION

OFFICE OF THE  
EXECUTIVE SECRETARY  
**INTRALATA TOLL DIALING PARITY IMPLEMENTATION PLAN**  
(For Tennessee Exchange)

99-00283

**I. Purpose**

Skyline TMC describes herein the process for implementing IntraLATA Toll Dialing Parity (Plan) in its exchanges located in the state of Tennessee. The intent of this plan is to provide a proposal that, upon implementation, would provide customers the ability to preselect the telecommunications carrier of their choice for routing their 1+ intraLATA toll calls.

**II. IntraLATA Environment**

Skyline TMC currently provides 1+intraLATA toll calling. Implementation of 1+intraLATA toll dialing parity will permit our customers to pre-select the carrier of their choice to provide 1+intraLATA long distance services.

**III. Implementation Schedule**

Skyline TMC will implement intraLATA toll dialing parity beginning with consumers being notified by bill inserts in June 1999 or notification with Skyline TMC's newsletter which is received by each customer in June 1999, and proceed with dialing parity availability on July 22, 1999 in its exchanges. Skyline TMC has one exchange in the State of Tennessee, that being Shady Valley, HNPA 423, NXX-739.

**IV. Carrier Selection Procedures**

Skyline TMC will implement the full 2-PIC carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for intraLATA toll calls. Orders for changes will be accepted and effective July 22 or thereafter, if received after that date.

Skyline TMC employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intraLATA toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from available carriers.

Customers will be assessed a PIC change charge of \$5.00 for changing their intraLATA carrier. However, for a waiver period of 30 days from July 22, 1999, customers will not be assessed such a charge for their initial intraLATA toll carrier choice.

#### *Existing Customers*

Currently Skyline TMC is the 1+intraLATA provider for existing customers in its local exchange areas. Effective July 22, 1999, customers may continue to use Skyline TMC or may presubscribe to any telecommunications carrier offering intraLATA toll service in their exchange. To ensure continued service and minimize customer confusion, customers will remain with Skyline TMC until they affirmatively choose to change intraLATA toll carriers. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers directly to Skyline TMC through the local Business Office or indirectly through their selected carriers. A charge of \$35.65 will be billed for "slamming" or unauthorized PIC changes submitted by carriers for end-user customers.

#### *New Installation Customers*

Customers who contact Skyline TMC requesting new telephone exchange service are currently being advised of the telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will also be advised of the carriers available, (including Skyline TMC), to provide intraLATA toll service in their exchange. The intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" within systems will be required to dial 101XXXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

#### *Notification*

In advance of the offering of intraLATA toll dialing parity, customers will be notified through a billing insert in their June bill or in Skyline TMC's newsletter that is provided to each customer. (See Attachment A) The notice will include an explanation of intraLATA toll dialing parity, an exchange implementation schedule and a toll free telephone number for customers to direct inquiries. Skyline TMC anticipates that promotional strategies by the carriers will contribute to customer awareness of intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to provide customers with information on how to choose an intraLATA toll carrier.

Skyline TMC has assumed that all carriers will carry both interLATA and intraLATA traffic.

## **VI. Cost Recovery**

As stated in section 51.215 of FCC Order 96-333, CC Docket No. 96-98, "a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC."

The incremental costs associated with implementing toll dialing parity by Skyline TMC include:

- 1) network hardware upgrades to provide the full 2-PIC methodology;
- 2) central office software upgrades;
- 3) software translations;
- 4) system programming/testing;
- 5) training for Business Office, Marketing, Carrier, Customer Services, and Service Center personnel;
- 6) customer notification (bill message);
- 7) implementation activity.

Cost Recovery for the incremental cost of dialing parity; specific switch software, any necessary hardware and signaling system upgrades, and customer education costs that are strictly necessary to implement dialing parity, will be implemented in a competitively neutral manner across all providers of telephone exchange service and telephone toll service in the area served by Skyline TMC. Skyline TMC proposes to recover its incremental costs over a two-year period beginning on the date of implementation by applying a rate element of \$.004495 on originating intrastate switched access minutes of use (MOUs)

## **ATTACHMENT A**

### **SKYLINE TELEPHONE MEMBERSHIP CORPORATION NOTICE TO MEMBERS NEW OPTIONS FOR INTRALATA LONG DISTANCE SERVICE**

Effective July 22, 1999, you may select another company to handle your 1+intraLATA long distance and expanded local calls, calls to points outside your basic local calling area but within your LATA or calling zone. The company you choose may be the same company or a different company than the one that is currently handling your 1+interLATA long distance calls. For more information on LATAs or calling zones, refer to the Customer Guide section of your telephone directory.

IntraLATA calls and expanded local calls (local toll calls) that you dial using 1+the area code and the seven-digit number will be handled by the intraLATA carrier of your choice. Your local service and expanded local calls that are dialed using seven or ten digits (without the 1+) will continue to be handled by Skyline TMC.

You may receive information from long distance companies marketing their services. If you want to select another company to handle your intraLATA long distance and expanded local calls, you should call that company. A charge may apply for each change you make in long distance companies.

If you wish to continue using Skyline TMC to provide your intraLATA long distance and expanded local calling services, no action is required.